

Message Text

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ACTION ARA-10

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AMEMBASSY SAN SALVADOR

AMEMBASSY GUATEMALA

AMEMBASSY TEGUCIGALPA

AMEMBASSY SAN JOSE

AMEMBASSY MANAGUA

C O N F I D E N T I A L SECTION 1 OF 2 MEXICO 1000

E.O. 11652: GDS

TAGS: PINT MX PGOV EGEN

SUBJECT: POLITICAL HIGHLIGHTS - JANUARY 1975.

1. MEXICAN REACTION TO TRADE REFORM ACT (TRA)

AFTER INITIALLY LABELING VENEZUELA AND ECUADOR'S DECISION TO BOYCOTT THE NOW POSTPONED MFM "AN ERROR", SEC. RABASA FOLLOWED PRES. ECHEVERRIA'S BELATED LEAD IN HARSHLY CRITICIZING THE TRA. RABASA'S ANNOUNCEMENT FOLLOWING HIS JAN 14 MEETING WITH SECRETARY KISSINGER THAT THE US WOULD CONSULT WITH MEXICO ON PROVISIONS AFFECTING MEXICO TEMPORARILY MITIGATED CRITICISM BUT, IN GENERAL, BOTH OFFICIAL AND MEDIA REACTION TO THE TRA WAS EXTREME. EVEN THOUGHTFUL, WELL-INFORMED MEXICANS, WELL AWARE OF THE TRA'S POTENTIAL BENEFITS TO MEXICO, CRITICIZED THE ACT'S "COERCIVE" PROVISIONS, ILLUSTRATING A WIDELY HELD MEXICAN ATTITUDE THAT THE US SHOULD, TO CORRECT THE INEQUALITY RESULTING FROM DIFFERENCES IN SIZE AND POWER, RESTRICT ITSELF IN THE USE OF SOME OF

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THE NORMAL ATTRIBUTES OF SOVEREIGNTY.

2. RESIGNATION OF FLORES DE LA PENA

ON JANUARY 3 SECRETARY OF NATIONAL PATRIMONY HORACIO FLORES DE LA PENA RESIGNED TO "MAKE ROOM FOR A YOUNGER MAN". VARIOUS REPORTS HAVE TENDED TO CONFIRM THE IMPRESSION (MEXICO 81) THAT FLORES' DEPARTURE WAS DUE TO POLICY DIFFERENCES ON MEXICO'S RELATIONSHIP WITH OPEC AND GOM EMBARRASSMENT OVER FLORES PERSONAL COMPORTMENT, WITH GREATER EMPHASIS ON FORMER.

FLORES WAS REPLACED BY FRANCISCO JAVIER ALEJO, WHO HAD BEEN APPOINTED UNDERSECRETARY FOR TREASURY ONLY IN OCTOBER, 1974. ALTHOUGH ALEJO HAS A LEFTIST REPUTATION (DUE IN PART TO HAVING BEEN A STUDENT LEADER AT TIME OF 1968 RIOTS), THE DEPARTURE OF FLORES, THE MOST LEFTIST OF ECHEVERRIA'S CABINET, WAS SOURCE OF SATISFACTION TO THOSE DISENCHANTED WITH THE MORE RADICALLY NATIONALISTIC ASPECTS OF THIS ADMINISTRATION.

3. ECHEVERRIA MEETS WITH US BUSINESSMEN

AT GOM INITIATIVE, PRESIDENT ECHEVERRIA MET JAN 18 WITH 30 TOP LEVEL US BUSINESS AND FINANCIAL LEADERS OF MAJOR US FIRMS; MEXICAN BUSINESSMEN ALSO ATTENDED. PURPOSE OF ASSURING US PARTICIPANTS TO WELCOME RECEPTION FOR FOREIGN, PARTICULARLY US, INVESTMENT UNDER WELL KNOWN GUIDELINES WAS FULL ACHIEVED, ALL PARTICIPANTS EXPRESSING SATISFACTION WITH MEETING AND ITS ATMOSPHERE. ALTHOUGH GOM SOUGHT TO HANDLE MEETING QUIETLY, PRESS HERE CARRIED REACTION OF SEVERAL PARTICIPANTS WITHOUT ADVERSE COMMENT.

4. PRESIDENTIAL SUCCESSION

JANUARY WITNESSED NO DRAMATIC DEVELOPMENTS IN THE PRESIDENTIAL SUCCESSION PROCESS, BUT SEVERAL ITEMS ARE WORTH NOTING.

ON JANUARY 4, SUCESOS, A LIGHTWEIGHT MAGAZINE,
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EDITORIALLY SUGGESTED PRESIDENT ECHEVERRIA'S RE-ELECTION AND CTM LEADER FIDEL VELAZQUEZ SAID JANUARY 19 THAT LABOR'S PREFERENCE WOULD BE FOR ECHEVERRIA TO CONTINUE (PRESS DOWNPLAYED SECOND PART OF STATEMENT WHICH WAS THAT SINCE RE-ELECTION WAS NOT POSSIBLE LABOR WANTED "SOMEONE LIKE ECHEVERRIA"). THESE TWO EVENTS CAUSED SOME REACTION, BUT EVEN THE PRESIDENT'S MOST AVID SUPPORTERS IN THE PRESS CALMLY NOTED THE "IMPOSSIBILITY" OF ECHEVERRIA CONTINUING

IN OFFICE (EMBASSY AGREES).

ON JANUARY 18 PRESIDENT ECHEVERRIA PRIVATELY MADE COMMENTS ON THE SUCCESSION TO AMBASSADOR JOVA WHICH, WHILE CRYPTIC, SUGGESTED HE MAY ALREADY HAVE DECIDED ON HIS FIRST CHOICE. THAT THE PRESIDENT WILL FOLLOW TRADITION IN POSTPONING THE "UNCOVERING" OF THE PRI'S CANDIDATE UNTIL THE LAST POSSIBLE MOMENT WAS CLEAR FROM A SECRETARY OF GOVERNMENT MOYA PALENCIA STATEMENT JAN 21 (FOLLOWING A MEETING WITH ECHEVERRIA) THAT THE PROCESS OF SELECTION OF THE CANDIDATE WAS ONE TO BE DEFERRED UNTIL THE SECOND HALF OF THIS YEAR.

SPECULATION CONCERNING GOV OF STATE OF MEXICO HANK GONZALEZ REFUSES TO DIE DOWN, DESPITE HIS "WITHDRAWAL". THIS IS PROBABLY BECAUSE HANK IS THE ONLY ONE OF THOSE WHO HAVE BEEN MENTIONED AS ASPIRANTS WHO HAS A POLITICAL FOLLOWING OUTSIDE A SMALL GROUP OF PERSONAL ADVISERS. HANK MAY BE ABLE TO USE THIS TO SOME ADVANTAGE IN BARGAINING FOR A POSITION IN THE NEXT ADMINISTRATION.

FINALLY, TREASURY SECRETARY LOPEZ PORTILLO CLAIMED JAN 28 THAT MEXICO'S INFLATION HAD LESSENED. MOST OBSERVERS BELIEVE LOPEZ'S CHANCES ARE DIRECTLY RELATED TO HIS SUCCESS IN MANAGING THE ECONOMY.

5. ELECTIONS IN PUEBLA - POSSIBLE SIGNIFICANCE

SINCE THE NOVEMBER 24, 1974 ELECTIONS IN STATE OF PUEBLA, THE OPPOSITION PARTY OF NATIONAL ACTION (PAN) HAS MADE SEVERAL ATTEMPTS TO HAVE THE ELECTIONS IN SEVERAL MUNICIPALITIES (PRINCIPALLY THE STATE CAPITAL) ANNULLED. APPEALS TO THE GOVERNOR OF THE STATE AND THE MEXICAN CONFIDENTIAL

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CONGRESS ATTRACTED SOME PRESS ATTENTION, BUT WERE UNAVAILING. A FINAL APPEAL TO THE MEXICAN SUPREME COURT (WHICH HAS DISCRETIONARY AUTHORITY TO ACT) WAS TURNED DOWN BY THE HIGHEST COURT ON JANUARY 29. ONLY EXCEPTION TO THESE SETBACKS WAS PAN SUCCESS IN ONE OF THE DISPUTED MUNICIPALITIES (CHOLULA) WHERE PROTEST MARCHES RESULTED JAN 20 IN THE RESIGNATION OF THE VICTORIOUS PRI (RULING PARTY) CANDIDATE.

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C O N F I D E N T I A L SECTION 2 OF 2 MEXICO 1000

PAN FEDERAL DEPUTIES CLAIMED TO EMBOFF THAT PRI FRIENDS OF THEIRS PRIVATELY ADMIT PAN VICTORIES IN PUEBLA. (PRI MEMBERS HAVE NOT YET BEEN SO CANDID WITH REPORTING OFFICER.)

PAN IS SCHEDULED TO HOLD REGULAR NATIONAL ASSEMBLY FEBRUARY 8-9. ALTHOUGH DECISION ON PARTICIPATION IN 1976 PRESIDENTIAL ELECTIONS IS NOT LIKELY TO BE MADE AT THAT TIME, SUBJECT UNDOUBTEDLY WILL BE DEBATED AND THE "PUEBLA CASE" WILL STRENGTHEN HAND OF THOSE FAVORING SITTING OUT ELECTION. IF PAN WERE TO ABSTAIN, GOM WOULD PROBABLY BE INCLINED TO GRANT REGISTRATION AS POLITICAL PARTY TO ONE OF SEVERAL GROUPS NOW SEEKING IT, TO ENSURE SEMBLANCE OF DEMOCRATIC CONTEST IN 1976.

6. TERRORISM CONTINUED

JANUARY IN MEXICO WITNESSED A CONTINUATION OF THE TERRORIST BOMBINGS, A TREND WHICH BEGAN IN MID-NOVEMBER, 1974. THREE BOMBS EXPLODED IN OAXACA DECEMBER 31 AND
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A TOTAL OF FIFTEEN WERE DETONATED JANUARY 26-27 IN

OAXACA, MEXICO CITY, AND SAN LUIS POTOSI. ONE OF THESE
IN SLP EXPLODED (PERHAPS ACCIDENTALLY) IN DAYLIGHT HOURS,
KILLING FIVE PERSONS.

WITH LATTER SERIES GOM AND MEXICAN PUBLIC AGAIN
TOOK UP THE "FOREIGN FORCES" HUE AND CRY, IMPLYING CIA
RESPONSIBILITY. WE JUDGE THIS TO BE MORE A REACTION TO
THE DIFFICULTY OF RECONCILING THE EXISTANCE OF TERRORISM
ALONGSIDE OF THE GOM'S "REVOLUTIONARY" POLICIES THAN A
SERIOUS CHARGE OF CULPABILITY.

7. THE SUBDUE LEFT

ON JANUARY 4 A COMMUNIST PARTY (PCM) MEMBER
"COMMITTED SUICIDE" WHILE IN POLICE CUSTODY, AND ANOTHER
PCM MEMBER DETAINED WITH HIM IS STILL BEING HELD WITHOUT
CHARGES. ALTHOUGH THE ESTABLISHMENT LEFT (EXCLUDING
TERRORIST GROUPS) HAVE MADE A MINOR CAUSE CELEBRE OF THAT
CASE, ISSUE HAS NOT CAUGHT FIRE. SIGNIFICANCE IS THAT,
GIVEN INCIDENT AT LEAST AS SERIOUS AS ONE WHICH IN 1968
LED EVENTUALLY TO TLATELOLCO MASSACRE, MEXICAN LEFT HAS
BEEN EITHER DISINCLINED OR UNABLE TO PRODUCE PROTEST OF
ANY PROPORTIONS.

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